

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
WEDNESDAY, FEBRUARY 2, 2005, 2:00 P.M.
RoomW025, West Office Building, State Capitol Complex**

Members Present: Sen. Bill Hickman, Committee Co-Chair
Rep. D. Gregg Buxton, Committee Co-Chair
Sen. Peter Knudson
Rep. Roger Barrus
Rep. DeMar “Bud” Bowman
Rep. Stephen Clark
Rep. Wayne A. Harper
Rep. Fred R. Hunsaker
Rep. Brent H. Goodfellow
Rep. Michael T. Morley

Members Excused: Sen. Mike Dmitrich
Pres. John Valentine
Rep. Ralph Becker

Staff Present: Steve Allred, Fiscal Analyst
Bonnie Brinton, Committee Secretary

Public Speakers Present: Richard Kendell, Commissioner of Higher Education
Pres. Paul Hacking, Campus President, Uintah Basin Applied
Technology College
Dr. Guy Denton, Executive Director, Uintah Basin Applied
Technology College
Pres. Steven D. Bennion, Southern Utah University
Pres. Stan L. Albrecht, Utah State University
Interim Provost Noelle E. Cockett, Utah State University
Pres. Ann Millner, Utah State University
Vice President Norm Tarbox, Administrative Services, Weber
State University
Pres. Michael Young, University of Utah
Dr. David Pershing, Sr. Vice President, Academic Affairs,
University of Utah
Pres. Bob Huddelson, Dixie State College
Stan Plewe, Vice President, Administrative Services, Dixie State
College
Cindy Clark, President, Community Council, Orem City, Utah
Richard L. Maughan, Campus President, Bridgerland Applied
Technology College

Director Keith Stephan, DFCM, Division of Facilities
Construction and Management
Pres. Ryan Thomas, College of Eastern Utah
Interim President Morgan Judd, Salt Lake Community College
Kevin Walthers, Assistant Commissioner, Higher Education

A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Buxton called the meeting to order at 2:05 p.m.

1. Introduction to Higher Education Capital Facility Requests

Richard Kendell, Commissioner of Higher Education, presented a broad overview of the requests to be presented to the Subcommittee.

Two Issue Briefs were distributed showing how the Board developed the "Qualification and Prioritization (Q&P)" process in prioritizing building recommendations. The Q&P is a quantitative process that focuses on the merit of each project each year rather than building a "queue" of projects based on seniority. As a result, individual projects may not "move up" on the list if the underlying qualifying factors have not changed. Pres. Kendell pointed out that the Regent top three priorities for funding are the UofU Marriott Library, the UVSC Digital Learning Center and the DSC Health Sciences Building.

a. Fiscal Analyst Steve Allred

Mr. Allred referred to a handout entitled "Government Performance Project - Grading the States 2005. The categories used in this analysis are money, people, infrastructure and information. The state of Utah received an "A" grade for budgeting.

The Analyst discussed a summary table of Agency/Institution requested State funds. This table shows the Building Board priorities and the Board or Regents priorities. Included in this information is the current debt service schedule for FY 05 and 06 and the estimated increases to debt service of various bond amounts.

Mr. Allred suggested that it would be helpful if UCAT adopted the Q&P process in prioritizing building recommendations.

2. Institutional Presentations

a. Uintah Basin ATC - New Vernal Campus Building

Pres. Paul Hacking, Campus President, and Dr. Guy Denton, Executive Director, Uintah Basin ATC, presented information on this proposal. The State funds request is for \$10,788,000 with increased State O&M of \$333,700.

b. Southern Utah University (SUU) - Teacher Education Building

Pres. Steven D. Bennion introduced Aaron Miller, Student body President of SUU, and presented information on this proposal. The State fund request is for \$10,000,000 with increased State O&M of \$242,500.

Rep. Bowman spoke in support of funding for this project.

c. Utah State University (USU) - Agricultural Science Building

Pres. Stan L. Albrecht and Interim Provost Noelle E. Cockett presented information on this proposal. Pres. Albrecht stated his support for the USU/Unitah Basin ATC project. The State fund request is for \$57,237,000 with increased State O&M of \$1,119,800.

d. Weber State University (WSU) - Replace Buildings 1 and 2

Pres. Ann Millner and Vice President Norm Tarbox, Administrative Services, presented information on this proposal. Mr. Tarbox addressed the issue of facility maintenance and stated that in a recent evaluation WSU had been rated very highly in this area. The State fund request and the O&M amounts are different from the information in the table distributed to the Subcommittee. The additional cost is a result of adding a new chilled-water component to the final amount. The correct amount for the State fund request is \$24,000,000 with increased State O&M of \$329,122.

Rep. Buxton asked if there had been any funds collected from the community, and Pres. Millner said there were not at the present time but that she is pursuing that option.

Rep. Clark asked about cost per square foot, and Keith Stepan, Director, DFCM, explained how these cost figures are determined.

Co-Chair Hickman said he thought it would be helpful to the Subcommittee if

information on the cost per square foot and how these figures were arrived at were included in the presentations for next year. Mr. Stephan said he would provide that information.

e. University of Utah (UofU) - Marriott Library Renovation

Pres. Michael Young and Dr. David Pershing, Sr. Vice President, Academic Affairs, presented information on this proposal. Rep. Clark asked about staged funding, and Pres. Young said that the retrieval project is slated to begin before actual construction. The Library is scheduled to take two and a half years to complete. The State fund request is \$48,488,000 with increased State O&M of \$480,000.

f. Snow College - Library/Classroom Building

Pres. Michael Benson presented information on this proposal. He stated that there would be considerable interface with the UofU library resources. The State fund request is \$14,237,000 with increased State O&M of \$488,900.

g. Dixie State College - Health Sciences Building

Pres. Bob Huddelson and Stan Plewe, Vice President, Administrative Services, presented information on this proposal. Steve Wilson, Chief Executive Officer, Dixie Regional Medical Center, spoke in favor of funding for this project. The State fund request is \$15,743,000 with increased O&M of \$413,100.

h. Utah Valley State College - Digital Learning Center

Pres. William A. Sederburg introduced Cindy Clark, President, Community Council, Orem, Utah; Michael Freeman, Library Director; Val Peterson, Associate Vice President for College Relations; Bonnie Henrie and Regent Marlon Snow, Utah State Board of Regents. Pres. Sederburg presented information on this proposal. The State fund request is \$37,750,000 with increased O&M of 955,700.

Rep. Clark declared a Conflict of Interest.

i. Bridgerland ATC - Bourns Building Purchase

Richard L. Maughan, Campus President, presented information on this proposal. Sen. Hickman asked about operating costs for the Bourns Building, and Mr. Stepan said staff from the Division of Facilities Construction and Management recently

conducted a facility condition assessment of the building and concluded that the structure is in excellent condition with a brand new roof. Pres. Maughan said the school will be responsible for O&M. The State fund request is \$3,550,000 with increased State O&M of \$296,800.

Reps. Clark and Morley said they felt it was a good building and that it would be a good buy.

j College of Eastern Utah - Fine Arts Complex

Pres. Ryan Thomas introduced Daniel Wood, Studentbody President, and presented information on this proposal. He stated that the figures on the table the Subcommittee has are not accurate regarding this project. The State fund request was \$12,500,000 with increased O&M of \$284,100. The project has received \$11,000,000 in private donations, so the State fund request is now \$1,200,000.

Rep. Clark commended Pres. Thomas on the excellent accomplishments of the College of Eastern Utah. Rep. Morley commended Pres. Thomas on the fund-raising success he has achieved.

k. Salt Lake Community College (SLCC) - Millcreek Center Purchase

Interim President Morgan Judd expressed appreciation for the Health Science Building that has been funded for the College. He said the drawings have been done and a site has been selected. They have chosen a contractor and will break ground in the Spring.

Pres. Judd presented information on this proposal. He explained how a Millcreek Center opened in the fall of 1995, and closed in the summer of 2003 because of budget cuts. The State fund request is \$6,000,000 with an increased O&M of \$219,000.

Sen. Hickman commended Pres. Judd on the accomplishment of having 14 sites to serve the students. Rep. Goodfellow said he felt the SLCC is a great institution and he appreciated the excellent performance of the school.

4. Other Business

Kevin Walthers, Assistant Commissioner, Higher Education, distributed a handout from the State Board of Regents containing information regarding the use of Facility Operation

and Maintenance funds by USHE. The USHE State funded O&M request for 2005 General Session new facilities operation and maintenance is \$4,744,200.

Mr. Walthers said that schools contribute internal resources to cover operating budgets. Some of this contribution funds auxiliary or research enterprises, but evidence collected over the past 15 years indicates that institutions substantially augment State appropriations to operate and maintain state facilities, approximately \$15.5 million since FY 1988. Resources reallocated from other functions to cover these costs deplete funds available for core program support.

Rep. Buxton asked if the amount of funding for O&M is increased as buildings get older and need more repairs and maintenance. Mr. Tarbox answered that the amounts have increased for salaries, but other O&M funding has stayed the same as when originally funded.

Sen. Hickman asked Mr. Stepan to address the issue of O&M problems this coming year and bring a recommendation for a reasonable-approach solution to the Legislature in the next session.

The meeting was adjourned at 4:50 p.m. by Co-Chair Buxton.

The minutes were reported by Bonnie Brinton.

Sen. Bill Hickman
Committee Co-Chair

Rep. D. Gregg Buxton
Committee Co-Chair